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C O N F I D E N T I A L SECTION 01 OF 02 LAGOS 001163

SIPDIS

STATE PASS DOE FOR DAS JBRODMAN AND CGAY
STATE PASS TREASURY FOR ASEVERENS AND SRENENDER
STATE PASS DOC FOR PHUPER
STATE PASS TRANSPORTATION FOR MARAD
STATE PASS OPIC FOR CDUFFY
STATE PASS TDA FOR BTERNET
STATE PASS EXIM FOR JRICHTER
STATE PASS USTR FOR ASST USTR SLISER
STATE PASS USAID FOR GWEYNAND AND SLAWAETZ

E.O. 12958: DECL: 12/08/2014

TAGS: [EPET](#) [EINV](#) [CASC](#) [PGOV](#) [ASEC](#) [MOPS](#) [NI](#)

SUBJECT: CHEVRON'S SECURITY STRATEGY IN DELTA STATE

REF: LAGOS 433

Classified By: Acting Consul General William M. Howe for Reasons 1.4 (B & D)

[11.](#) (U) Summary. Months after successfully containing an invasion of its facilities in Escravos, Delta State, Chevron Texaco (CT) characterized the relative quiet in the Niger Delta region as "the calm before the storm." CT has registered some small successes in the region, including involving the Delta State government in negotiations with the ethnic councils and capacity building projects (see reftel). The company also believes that significant federal government involvement is on the horizon; however, the uncertain political future of the Delta State governor, troubles incorporating the Itsekiri community into the ethnic councils, and continued illegal arms sales and money laundering assistance from abroad continue to impede progress and cause anxiety. End Summary.

POLITICS IN THE DELTA

[12.](#) (C) CT chose Delta State as their first target in building ethnic councils and collaborating more closely with state governments. Under the ethnic council model, each major ethnic group in a state elects council representatives to negotiate collectively with CT (reftel). Hamish Macdonald, a Chevron consultant from the British firm MarsOmega, characterized Delta as a "pariah" state, and he reported recently asking Delta State governor, Chief James Ibori, "Who in their right mind would invest in Delta State?" The governor, in turn, admitted that security risks made Delta an utterly unappealing investment prospect and promised to play a more significant role in company negotiations with ethnic communities.

[13.](#) (C) Ibori's political future, however, is far from certain. Now completing his second term, the governor has been talked about as a potential Vice-President running mate; however, other sources report that he is seriously considering leaving politics for a post-grad fellowship at Princeton University. The short window between now and election preparations leaves only about six to nine months for Ibori's current involvement to take root, and CT is unsure about what will follow.

COMPANY-COMMUNITY-GOVERNMENT: A NEW PARTNERSHIP

[14.](#) (C) Eight weeks after the Escravos invasion in February, Delta State sent the state Secretary and the Commissioner for Conflict Resolution to meetings between CT and community leaders. A manual for continued state government involvement has been produced, and CT is certain that state backing is the key to making the ethnic council strategy succeed where the "host community" plan has failed (reftel). While the Ijaw community has responded to the strategy, Itsekiri groups are still recalcitrant. The Secretary of Delta State, however, belongs to the Itsekiri community, and CT views his involvement in recent talks as a boon for future cooperation across ethnic lines.

[15.](#) (C) MacDonald reported that the pillaging of pipelines for parts poses a bigger problem for CT than oil bunkering in the Escravos area.

NATIONAL GOVERNMENT INVOLVEMENT

[16.](#) (C) In February, CT executives spoke with Edmund Dakouru,

now Petroleum Minister, and were encouraged by his vision for national government participation in negotiations for regional security and harmony. Dakouro promised to provide for an improved Niger Delta Development Commission (NDDC), and he publicly acknowledged that, for their own well-being, local communities must ensure that oil services experts be able to operate safely and uninterruptedly.

LINGERING WORRIES, FUTURE EXPANSION

17. (C) Despite successes with government involvement and capacity building programs, CT is still worried by the overall security climate. Recent events, such as the prison-break of a key commander of the Niger Delta People's Vigilante Force (NDPV) do not bode well (reftel). Hamish also cited concerns about the steady stream of arms and laundered money, which he said pours in from places like South Africa and the Ukraine. Nevertheless, Chevron is still plowing ahead with plans to restore full production at their Escravos facility, which would eventually represent an additional 150,000 barrels per day.

HOWE